



JOHN NAIMO
ACTING AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
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LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

August 21, 2014

TO: William T Fujioka
Chief Executive Officer

FROM: John Naimo
Acting Auditor-Controller

A handwritten signature in cursive script, appearing to read "John", is written over the printed name "John Naimo".

**SUBJECT: SHERIFF'S DEPARTMENT – PROVISIONAL FINANCING USES
FUNDING CLAIM REVIEW (JUNE 2014)**

On October 8, 2013 and January 7, 2014, as part of two separately approved Board of Supervisors (Board) motions, approximately \$33.6 million was set aside in the Provisional Financing Uses (PFU) budget for the following Fiscal Year (FY) 2013-14 Sheriff's Department (Sheriff's or Department) purchases:

- \$29.3 million to address recommendations made by the Citizens' Commission on Jail Violence (CCJV),
- \$2.1 million for an Information Technology (IT) purchase,
- \$1.6 million for the Sheriff's Mobile Data Computers/Console Switch Interface (MDC/CSI), and
- \$600,000 for shooting simulators.

The Board motions require the Sheriff's to submit supporting documentation for the expenditures to the Auditor-Controller (A-C) for fiscal review and validation. Once the A-C validates the expenditures, the Chief Executive Office (CEO) and the Sheriff's will submit recommendations to the Board for their consideration to transfer the funding from PFU to the Sheriff's budget.

A-C Review and Validation

For June 2014, the Sheriff's claimed a total of \$8,423,020 in reimbursements from the PFU budget for expenditures related to the implementation of the CCJV recommendations (Attachment II).

Based on our review, we recommend reimbursement from the PFU budget in the amount of \$7,972,358, which is \$450,662 less than the Sheriff's claim. The amount over claimed is primarily due to the inclusion of claim adjustments for prior period costs that we had already recommended reimbursement for in our July 30, 2014 memo. Sheriff's management indicated that they included these adjustments since the Department needed to submit their June 2014 claim prior to the issuance of our previous validation memo. Sheriff's management agreed with the revised amount.

Our recommendation is based on our review of the supporting documentation for each project/expenditure. Specifically, our review included ensuring that CCJV salaries and employee benefits were correctly calculated, overtime was approved/supported for our selected sample, Services and Supplies (S&S) expenditures were supported by purchase documentation, and expenditures were attributed to the specified purpose.

As of June 30, 2014, the Sheriff's has claimed and we have validated approximately \$25.1 million of the \$33.6 million in PFU. Please see Attachment I for additional details.

Sheriff's Tracking of S&S and Fixed Assets Costs

As mentioned, the Board set aside \$29.3 million in PFU to address recommendations made by CCJV. As part of the budgeting process, the Department established separate ongoing and one-time budgets for each recommendation. CEO management indicated that while the Sheriff's should claim and receive reimbursement for all CCJV related costs up to the overall budget of \$29.3 million, they should track CCJV budgeted and claimed expenditures by individual recommendations, and by costs that are one-time or ongoing.

During our review, we noted that the Sheriff's did not track all of their claimed CCJV S&S or fixed assets by recommendation and could not accurately identify whether all claimed costs were ongoing or one-time expenditures.

To ensure all costs are accurately tracked and reported as required, we have recommended to Sheriff's management that they immediately develop procedures to track and report all CCJV costs by recommendation, including classification of expenditures as either ongoing or one-time.

Please call me if you have any questions, or your staff may contact Robert Smythe at (213) 253-0101.

JN:AB:RS

Attachments

c: John L. Scott, Sheriff
Audit Committee
Georgia Mattered, Senior Assistant CEO

**SHERIFF'S DEPARTMENT
PROVISIONAL FINANCING USES FUNDING CLAIM REVIEW
FISCAL YEAR (FY) 2013-14**

BUDGETED AND VALIDATED EXPENDITURES BY CATEGORY

PROVISIONAL FINANCING USES (PFU) BUDGET	Budgeted Positions	Validated Positions (As of June 30, 2014)	FY 2013-14 Budget	Amount Validated Current Claim (June 2014)	Amount Validated YTD (Oct 2013 to June 2014)	Amount Under / (Over) Budget
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Citizen's Commission on Jail Violence (CCJV) PROPOSED BUDGET BY RECOMMENDATION (ONGOING)

Salaries, Employee Benefits, and Services and Supplies

6.05 - Supervision of Deputies	44	44	\$ 7,381,500	\$ 667,002	\$ 5,728,044	\$ 1,653,456
6.03 - Increase Custody Specific Training	19	18	3,230,500	446,827	3,251,936	(21,436)
7.08 - Custody Facility Risk Managers	6	6	978,000	108,175	994,001	(16,001)
7.01 - Restructure Investigation/Disciplinary System						
Internal Affairs	10	9	1,331,250	120,981	1,021,987	309,263
Internal Criminal Investigations	14	14	2,118,000	204,273	1,760,911	357,089
Internal Investigations	7	7	819,000	76,624	444,162	374,838
Advocacy Bureau	5	3	932,500	48,062	349,113	583,387
4.12 - Create Internal Audit and Inspections Division	23	19	3,291,000	284,464	1,526,731	1,764,269
7.15 - Lapel Cameras	2	-	173,250	-	-	173,250
Total CCJV Ongoing Budget	130	120	20,255,000	1,956,408	15,076,885	5,178,115

CCJV PROPOSED BUDGET BY RECOMMENDATION (ONE-TIME)

Services and Supplies and Fixed Assets

6.05 - Supervision of Deputies	-	-	264,000	-	-	264,000
6.03 - Increase Custody Specific Training	-	-	464,000	223,638	223,638	240,362
7.08 - Custody Facility Risk Managers	-	-	36,000	-	-	36,000
7.01 - Restructure Investigation/Disciplinary System						
Internal Affairs	-	-	372,000	198,789	198,789	173,211
Internal Criminal Investigations	-	-	630,000	348,004	348,004	281,996
Internal Investigations	-	-	81,000	24,849	24,849	56,151
Advocacy Bureau	-	-	56,000	24,849	24,849	31,151
4.12 - Create Internal Audit and Inspections Division	-	-	762,000	397,463	397,463	364,537
3.08 - Information Systems Overhaul	-	-	1,400,000	1,291,961	1,291,961	108,039
7.15 - Lapel Cameras	-	-	4,977,400	2,220,825	2,220,825	2,756,575
Total CCJV One-Time Budget	-	-	9,042,400	4,730,378	4,730,378	4,312,022

Unallocated Services and Supplies and Fixed Assets	-	-	-	1,285,572	1,285,572	(1,285,572)
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TOTAL CCJV BUDGET	130	120	29,297,400	7,972,358	21,092,835	8,204,565
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ADDT'L PROPOSED BUDGET (ONE-TIME)

Services and Supplies and Fixed Assets

Information Technology - Related Expenditures	-	-	2,136,000	-	2,136,000	-
Mobile Data Computer/Console Switch Interface Project	-	-	1,602,000	-	1,602,000	-
Shooting Simulators	-	-	578,000	-	219,457	358,543

TOTAL ADDT'L BUDGET	-	-	4,316,000	-	3,957,457	358,543
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FY 2013-14 TOTAL PFU BUDGET	130	120	\$ 33,613,400	\$ 7,972,358	\$ 25,050,292	\$ 8,563,108
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Footnotes

- ① Per Chief Executive Office (CEO) management, while the Sheriff's should track CCJV budgeted and claimed expenditures by individual recommendations, they should claim and receive reimbursement for all CCJV related costs up to the overall budget of \$29.3 million. Therefore, the Department should receive full reimbursement for recommendations 6.03 and 7.08 since the Department did not exceed the total CCJV budget.
- ② This represents the CCJV Services and Supplies and Fixed Asset costs that the Sheriff's claimed, but could not accurately attribute to a specific recommendation and/or as either ongoing or one-time. While we verified these costs were appropriate CCJV expenditures, we notified the Department that they need to immediately begin tracking all CCJV Services and Supplies and Fixed Asset costs by individual recommendation and cost type.
- ③ As indicated, the FY 2013-14 balance in PFU is approximately \$8.6 million. The Sheriff's indicated that they will work with the CEO to address the portions of unclaimed PFU budget.



John L. Scott, Sheriff

County of Los Angeles
Sheriff's Department Headquarters

*4700 Ramona Boulevard
Monterey Park, California 91754-2169*



July 18, 2014

Mike Pirolo, Chief
Department of Auditor-Controller
Audit Division
World Trade Center
350 South Figueroa Street, 8th Floor
Los Angeles, California 90071

Dear Mr. Pirolo:

**CLAIM REQUEST FOR REIMBURSEMENT FROM THE
PROVISIONAL FINANCING USES BUDGET
JUNE 2014**

In compliance with the Board of Supervisors action of October 8, 2013, the Los Angeles County Sheriff's Department (Department) is seeking your fiscal review and validation of the Salary and Employee Benefit (S&EB) and overtime costs incurred during the period of June 2014, by Department personnel assigned to the several programs recommended by the Citizens' Commission on Jail Violence (CCJV). Additionally, the Department is requesting reimbursement for one-time Services and Supplies and Capital Assets expenditures.

To assist your review of the costs, the following documents are attached:

- A summary worksheet and monthly S&EBs of employees assigned to CCJV programs;
- Electronic Human Resource (eHR) Time History reports for personnel assigned to CCJV positions for a partial month;
- Reports for overtime control numbers
- Departmental Activity Expenditure Report: L8 (Activity Code OCJV AND OCTV) for Services and Supplies and Capital Assets claim

Upon concluding your review and approval of the expenditures incurred in June 2014, as shown on the attached documents, we request that you authorize reimbursement as follows:

A Tradition of Service Since 1850

Mr. Pirolo

- 2 -

July 18, 2014

CCJV

- | | |
|----------------------------------|-------------------|
| • Salaries and Employee Benefits | \$1,758,080 |
| • Overtime | \$ 134,033 |
| • Adjustment (Mar – May 2014) | <u>\$ 492,138</u> |

Sub-total	\$2,384,251
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One-Time Funding

- | | |
|------------------------|------------------|
| • Activity Code – OCJV | \$6,022,616 |
| • Activity Code – OCTV | <u>\$ 16,153</u> |

Sub-total	\$6,038,769
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Total Request	\$8,423,020
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The appropriation currently resides in the Chief Executive Office's Provisional Financing Uses budget unit.

If you have any questions, please contact Director Rick Cavataio at (323) 526-5144.

Sincerely,

JOHN L. SCOTT, SHERIFF



GLEN DRAGOVICH, DIVISION DIRECTOR
ADMINISTRATIVE AND TRAINING DIVISION